

**UNITED STATES BANKRUPTCY COURT
EASTERN DISTRICT OF NEW YORK**

In re:

Online King LLC,

Debtor.

Chapter 11

Case No. 20-42591 (LAS)

**DECLARATION OF MICHAEL J. GEARIN IN SUPPORT OF AMAZON CAPITAL
SERVICES, INC.'S JOINDER TO MOTION OF UNITED STATES TRUSTEE TO
DISMISS CHAPTER 11 CASE**

Michael J. Gearin, pursuant to 28 U.S.C. § 1746, hereby certifies and declares as follows:

1. I am a partner with K&L Gates LLP, counsel for Amazon Capital Services, Inc. in this case.

2. I made discovery requests to the Debtor through counsel, including requests for copies of the Debtor's bank statements for 2019 and 2020. The Debtor provided copies of certain bank statements and provided information regarding the identity of the recipient of certain transfers from the Debtor's accounts. In particular, Debtor's counsel identified the recipient of certain transfers reflected in the bank statements as It's a Deal (an entity related to the Debtor). Based upon our review of the bank statements, we created a summary of the transfers to It's a Deal. Attached hereto as Exhibit A is the summary of those transfers which reflects more than \$684,000 in transfers from the Debtor's accounts to It's a Deal during the period January 1, 2019 through July 9, 2020.

3. Attached hereto as Exhibit B. is a true and correct copy of the email from Shalom Samuels of the offices of Debtor's counsel attaching the weekly reports of receipts and disbursements for the weeks of October 25, 2020 and November 1, 2020.

4. Attached hereto as Exhibit C. is a true and correct copy of my email correspondence with Debtor's counsel Joseph Balisok regarding the cash collateral order submitted to the Court for entry in early November, 2020.

5. Attached hereto as Exhibit D. is a true and correct copy of the email from Shalom Samuels of the offices of Debtor's counsel attaching the Debtor's summary of disbursements as compared to budget for the period October 11, 2020 and December 20, 2020.

I declare under the penalty of perjury under the laws of the United States of America that the foregoing is true and correct to the best of my knowledge.

EXECUTED this 30th day of December, 2020, at Seattle, Washington.

/s/ Michael J. Gearin

Michael J. Gearin

EXHIBIT A

SUMMARY OF BANK TRANSFERS

DATE	Amount	From Bank Account	Description of Transfer
1/8/2019	\$50,000.00	Online King Chase Acct.	Online Domestic Wire Transfer to It's a Deal
2/1/2019	\$30,000.00	Online King Chase Acct.	Online Domestic Wire Transfer to It's a Deal
4/4/2019	\$15,000.00	Online King Chase Acct.	Online Domestic Wire Transfer to It's a Deal
4/17/2019	\$30,000.00	Online King Chase Acct.	Online Domestic Wire Transfer to It's a Deal
5/16/2019	\$30,000.00	Online King Chase Acct.	Online Domestic Wire Transfer to It's a Deal
9/26/2019	\$5,000.00	Online King Chase Acct.	Online Domestic Wire Transfer to It's a Deal
10/17/2019	\$50,000.00	Online King Chase Acct.	Online Domestic Wire Transfer to It's a Deal
1/14/2020	\$50,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
2/19/2020	\$15,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
2/24/2020	\$60,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
2/26/2020	\$25,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
3/3/2020	\$50,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
3/16/2020	\$60,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
3/26/2020	\$15,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
4/1/2020	\$80,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account

4/27/2020	\$10,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
4/29/2020	\$50,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
5/13/2020	\$40,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
5/19/2020	\$7,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
6/23/2020	\$5,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
6/29/2020	\$5,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
7/9/2020	\$2,000.00	Online King Santander Acct.	Treas. Link Transfer to It's a Deal Account
Total	\$684,000		

EXHIBIT B

From: [Gearin, Mike](#)
To: [Lentz, Denise A.](#)
Subject: FW: Online King - Weekly Reports
Date: Monday, November 30, 2020 3:57:32 PM
Attachments: [Weekly report Oct 25 and Nov 6.pdf](#)

From: Shalom D. Samuels <shalom@lawbalisok.com>
Sent: Friday, November 06, 2020 7:03 AM
To: Gearin, Mike <michael.gearin@klgates.com>
Cc: Joseph Balisok <joseph@lawbalisok.com>; Sussman, Jeremy S. (USTP) <Jeremy.S.Sussman@usdoj.gov>; Gerard R. Luckman <gluckman@forchellilaw.com>
Subject: Online King - Weekly Reports

External Sender:

Dear Mike,

Please see attached the weekly expenditure reports.

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Please feel free to call me if you have any questions.

Thank you for your kind attention to this matter.

Sincerely,

Shalom D. Samuels, Law Clerk
Balisok & Kaufman, PLLC
251 Troy Avenue
Brooklyn, NY 11213
Office (718) 928-9607
Fax (718) 534-9747
shalom@lawbalisok.com

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9:43 AM

11/06/20

Accrual Basis

Online King LLC
Profit & Loss
October 25 through November 7, 2020

	<u>Week of Oct 25, 20</u>	<u>Week of Nov 1, 20</u>	<u>TOTAL</u>
Ordinary Income/Expense			
Income			
Sales	<u>63,188.24</u>	<u>314.52</u>	<u>63,502.76</u>
Total Income	<u>63,188.24</u>	<u>314.52</u>	<u>63,502.76</u>
Cost of Goods Sold			
Purchases	<u>30,225.00</u>	<u>0.00</u>	<u>30,225.00</u>
Total COGS	<u>30,225.00</u>	<u>0.00</u>	<u>30,225.00</u>
Gross Profit	<u>32,963.24</u>	<u>314.52</u>	<u>33,277.76</u>
Expense			
Bank Service Charges	<u>50.00</u>	<u>30.00</u>	<u>80.00</u>
Shipping and Delivery	<u>0.00</u>	<u>16,891.40</u>	<u>16,891.40</u>
Total Expense	<u>50.00</u>	<u>16,921.40</u>	<u>16,971.40</u>
Net Ordinary Income	<u>32,913.24</u>	<u>-16,606.88</u>	<u>16,306.36</u>
Net Income	<u><u>32,913.24</u></u>	<u><u>-16,606.88</u></u>	<u><u>16,306.36</u></u>

EXHIBIT C

From: [Gearin, Mike](#)
To: [Lentz, Denise A.](#)
Subject: FW: Online King LLC, 20-42591 - Proposed Cash Collateral Order
Date: Monday, November 30, 2020 4:00:52 PM

From: Joseph Y. Balisok, Esq. <joseph@lawbalisok.com>
Sent: Wednesday, November 11, 2020 3:46 PM
To: Gearin, Mike <michael.gearin@klgates.com>; Shalom D. Samuels <shalom@lawbalisok.com>
Subject: Re: Online King LLC, 20-42591 - Proposed Cash Collateral Order [KLG-USW_Active01.FID874989]

External Sender:

Dear Mike:

I will check with my paralegal but I believe the Order we submitted was the one we agreed on but the Court chose to make modifications to the form submitted.

I will double-check tomorrow.

I apologize if it was in error.

On Wed, Nov 11, 2020 at 1:53 PM Gearin, Mike <michael.gearin@klgates.com> wrote:

Joe:

I have just had an opportunity to review the cash collateral order that you submitted to the court (attached). It is not the form of order that you circulated and contrary to your representations to me, does not address the comments that I provided you on October 22 (email string below). This order needs to be amended to reflect the proper budget and timeframe for the authority to use cash collateral. The budget period is October 22, 2020 through January 7, 2021. The monthly budget is the same as the prior order. The order that was filed with the court incorrectly indicates monthly expenditures of \$126K. The budget should reflect monthly expenditures of \$45,200.

Thank you for your attention to correcting this.

Michael J. Gearin
K&L Gates LLP
925 Fourth Avenue, Suite 2900
Seattle, WA 98104
(206) 370-6666 Direct
(206) 940-2500 Mobile
michael.gearin@klgates.com

From: Gearin, Mike

Sent: Thursday, October 22, 2020 4:44 PM

To: 'Shalom D. Samuels' <shalom@lawbalisok.com>; Gerard R. Luckman <gluckman@forchellilaw.com>; Sussman, Jeremy S. (USTP) <Jeremy.S.Sussman@usdoj.gov>; kewerner@vorys.com

Cc: Joseph Balisok <joseph@lawbalisok.com>

Subject: RE: Online King LLC, 20-42591 - Proposed Cash Collateral Order [KLG-USW_Active01.FID874989]

Ms. Werner and Gentlemen:

Attached in redline are Amazon's comments to the proposed cash collateral order. The budget should be revised to reflect monthly amounts as was done with the prior order, with a proration for the period 12/22 to 1/7.

Thank you

Michael J. Gearin

K&L Gates LLP

925 Fourth Avenue, Suite 2900

Seattle, WA 98104

(206) 370-6666 Direct

(206) 940-2500 Mobile

michael.gearin@klgates.com

From: Shalom D. Samuels <shalom@lawbalisok.com>

Sent: Thursday, October 22, 2020 10:16 AM

To: Gearin, Mike <michael.gearin@klgates.com>; Gerard R. Luckman <gluckman@forchellilaw.com>; Sussman, Jeremy S. (USTP) <Jeremy.S.Sussman@usdoj.gov>; kewerner@vorys.com

Cc: Joseph Balisok <joseph@lawbalisok.com>

Subject: Online King LLC, 20-42591 - Proposed Cash Collateral Order

Good afternoon,

Please see attached the proposed Order. Kindly advise as to any revisions necessary.

Please also see attached the proposed budget. The budget was calculated by dividing the monthly income/expenses by 30 (days) then multiplying by the 84 days of the budget.

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Please feel free to call me if you have any questions.

Thank you for your kind attention to this matter.

Sincerely,

Shalom D. Samuels, Law Clerk
Balisok & Kaufman, PLLC
251 Troy Avenue
Brooklyn, NY 11213
Office (718) 928-9607
Fax (718) 534-9747
shalom@lawbalisok.com

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Please feel free to call me if you have any questions.

Thank you for your kind attention to this matter.

Sincerely,

Joseph Y. Balisok, Esq.
Balisok & Kaufman, PLLC
251 Troy Avenue
Brooklyn, NY 11213
Office (718) 928-9607
Fax (718) 534-9747
joseph@lawbalisok.com

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EXHIBIT D

11:20 AM

10/23/20

Accrual Basis

Online King LLC
Profit & Loss
October 1 - 23, 2020

	Oct 1 - 3, 20	Week of Oct 4, 20	Week of Oct 11, 20	Oct 18 - 23, 20	TOTAL
Ordinary Income/Expense					
Income					
Sales	0.00	21.89	19,464.81	34.10	19,520.80
Total Income	0.00	21.89	19,464.81	34.10	19,520.80
Gross Profit	0.00	21.89	19,464.81	34.10	19,520.80
Expense					
Bank Service Charges	0.00	0.00	0.00	30.00	30.00
Total Expense	0.00	0.00	0.00	30.00	30.00
Net Ordinary Income	0.00	21.89	19,464.81	4.10	19,490.80
Net Income	0.00	21.89	19,464.81	4.10	19,490.80

9:43 AM

11/06/20

Accrual Basis

Online King LLC
Profit & Loss
October 25 through November 7, 2020

	<u>Week of Oct 25, 20</u>	<u>Week of Nov 1, 20</u>	<u>TOTAL</u>
Ordinary Income/Expense			
Income			
Sales	<u>63,188.24</u>	<u>314.52</u>	<u>63,502.76</u>
Total Income	<u>63,188.24</u>	<u>314.52</u>	<u>63,502.76</u>
Cost of Goods Sold			
Purchases	<u>30,225.00</u>	<u>0.00</u>	<u>30,225.00</u>
Total COGS	<u>30,225.00</u>	<u>0.00</u>	<u>30,225.00</u>
Gross Profit	<u>32,963.24</u>	<u>314.52</u>	<u>33,277.76</u>
Expense			
Bank Service Charges	<u>50.00</u>	<u>30.00</u>	<u>80.00</u>
Shipping and Delivery	<u>0.00</u>	<u>16,891.40</u>	<u>16,891.40</u>
Total Expense	<u>50.00</u>	<u>16,921.40</u>	<u>16,971.40</u>
Net Ordinary Income	<u>32,913.24</u>	<u>-16,606.88</u>	<u>16,306.36</u>
Net Income	<u>32,913.24</u>	<u>-16,606.88</u>	<u>16,306.36</u>

11:57 AM

11/13/20

Accrual Basis

Online King LLC
Profit & Loss
 November 8 - 14, 2020

	Week of Nov 8, 20
Ordinary Income/Expense	
Income	
Sales	26,462.85
Total Income	26,462.85
Cost of Goods Sold	
Purchases	25,400.00
Total COGS	25,400.00
Gross Profit	1,062.85
Expense	
Bank Service Charges	50.00
Total Expense	50.00
Net Ordinary Income	1,012.85
Net Income	1,012.85

11:58 AM

11/25/20

Accrual Basis

Online King LLC
Profit & Loss
November 15 - 21, 2020

	Week of Nov 15, 20
Ordinary Income/Expense	
Income	
Sales	637.00
Total Income	637.00
Gross Profit	637.00
Net Ordinary Income	637.00
Net Income	637.00

10:56 AM

11/27/20

Accrual Basis

Online King LLC
Profit & Loss
November 22 - 28, 2020

	TOTAL
Ordinary Income/Expense	
Income	
Sales	18,570.56
Total Income	18,570.56
Gross Profit	18,570.56
Net Ordinary Income	18,570.56
Net Income	18,570.56

10:54 AM

12/04/20

Accrual Basis

Online King LLC

Profit & Loss

November 29 through December 5, 2020

Week of Nov 29, 20

Net Income

0.00

11:33 AM

12/11/20

Accrual Basis

Online King LLC
Profit & Loss
 December 6 - 12, 2020

	Week of Dec 6, 20
Ordinary Income/Expense	
Income	
Sales	1,634.42
Total Income	1,634.42
Cost of Goods Sold	
Purchases	33,800.00
Total COGS	33,800.00
Gross Profit	-32,165.58
Expense	
Bank Service Charges	30.00
Total Expense	30.00
Net Ordinary Income	-32,195.58
Net Income	-32,195.58

11:04 AM

12/18/20

Accrual Basis

Online King LLC
Profit & Loss
December 13 - 19, 2020

	Week of Dec 13, 20	
Net Income		0.00

12:18 PM

12/25/20

Accrual Basis

Online King LLC
Profit & Loss
December 20 - 26, 2020

	Week of Dec 20, 20
Ordinary Income/Expense	
Income	
Sales	12.74
Total Income	12.74
Cost of Goods Sold	
Purchases	36,250.00
Total COGS	36,250.00
Gross Profit	-36,237.26
Expense	
Bank Service Charges	60.00
Total Expense	60.00
Net Ordinary Income	-36,297.26
Net Income	-36,297.26

	Revenue	Inventory	Fees
10/11/2020	\$ 19,464.81	\$ -	\$ -
10/18/2020	\$ 34.10	\$ -	\$ 30.00
10/25/2020	\$ 63,188.24	\$ 30,225.00	\$ 50.00
11/1/2020	\$ 314.52	\$ -	\$ 16,921.40
11/8/2020	\$ 26,462.85	\$ 25,400.00	\$ 50.00
11/15/2020	\$ 637.00	\$ -	\$ -
11/22/2020	\$ 18,570.56	\$ -	\$ -
11/29/2020	\$ -	\$ -	\$ -
12/6/2020	\$ 1,634.42	\$ 33,800.00	\$ 30.00
12/13/2020	\$ -	\$ -	\$ -
12/20/2020	\$ 12.74	\$ 36,250.00	\$ 60.00
Actual	\$ 130,319.24	\$ 125,675.00	\$ 17,141.40
Projected	\$ 140,000.00	\$ 112,000.00	\$ 14,000.00